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New Orleans City Council

February 13, 2019

Ghassan Korban, Executive Director
New Orleans Sewerage and Water Board
625 St. Joseph Street
New Orleans, LA 70165

VIA EMAIL

Dear Ghassan:

Thank you for your letter dated February 7. We appreciate the efforts of the Sewerage and Water Board ("S&WB") in explaining its financial position. The Council's Public Works Committee requests additional information to avoid misconceptions or lack of communication. Many of the questions are basic to ensure the public is properly informed. Complete and accurate information also helps with restoring credibility and making the best possible decisions moving forward. In an effort to focus on issues that give the public the most concern, we have organized the questions into separate categories:

2019 OPERATING BUDGET

1. According to S&WB records, the utility has had the following cash on hand in reserves (in days):

<i>System</i>	<i>November 2018</i>	<i>December 2018</i>	<i>January 2019</i>
<i>Water</i>	131	179	113
<i>Sewer</i>	49	178	93
<i>Drainage</i>	0	19	-4

What is the right explanation for what happened?

DRAINAGE

2. Drainage allegedly owes sewer and water \$26.5 million. Does it have to pay all of the money back this year?

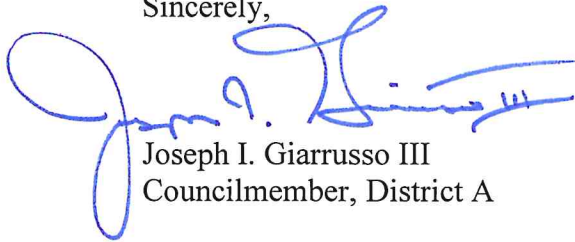
POSSIBLE ADDITIONAL REVENUE SOURCES

3. Are there other restricted accounts S&WB is examining to use for unrestricted purposes?

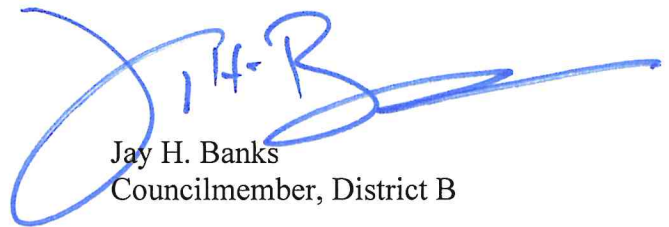
4. Where does SW&B stand on collecting the alleged \$21 million owed in delinquent accounts?
5. Given the progress S&WB has made in processing its transfer accounts, how much money was collected for those accounts in 2018 and how much is projected to be collected in 2019?

We look forward to receiving responses in due course so that the public remains educated on these issues. As we prepare for larger issues around S&WB's finances, we will present other questions in the near future for the March Public Works Committee meeting. Please call or email with any questions.

Sincerely,



Joseph I. Giarrusso III
Councilmember, District A



Jay H. Banks
Councilmember, District B